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EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels,
MARE/D3/CG /Ares

Mr Giampolo Buonfiglio
Chairman
MEDAC
Via XX Settembre, 20
Roma
ITALY

Ref : your letter 81/2020 on the description of the situation in the fisheries sector and markets

Dear Mr Buonfiglio,

Thank you for your letter dated 23 March 2020 on the situation in the fisheries sector and markets. We have taken note of the fact that this letter was prepared only with contributions from the sector, as the Other Interest Groups (OIG) didn't provide any answer. As announced by the MEDAC's Secretariat, we look forward to receiving a second recommendation involving all stakeholders' opinions, in particular the OIG's views on how to address this crisis.

The fishery and aquaculture sector has been particularly hard hit by the market disruption generated by a significant drop in demand ensuing from the COVID-19 outbreak. The closure of sales venues, markets, outlets and distribution channels has seen prices and volumes drop substantially. We are facing an unprecedented situation that requires immediate and strong action.

Over the last weeks, my staff and I have been in close contact with Member States and with representatives of the fishery and aquaculture sector. I have listened very carefully to all your concerns and requests for targeted mitigation measures to support the fishery and aquaculture sector.

Be reassured that the Commission is closely monitoring the developments on the market. We are in continuous contact with the national administrations to collect the latest information. That means that the Commission will be able to respond to new developments, which we cannot fully anticipate in this fast-moving situation. Now more than ever, the priority is to ensure the necessary support for the sector.

On 2 April, the Commission proposed a number of modifications to the European Maritime and Fisheries Fund (EMFF). Based on this proposal, the co-legislators agreed on additional amendments.

The Regulation (EU) 2020/560 of 23 April 2020 as regards specific measures to mitigate the impact of the COVID- 19 outbreak in the fishery and aquaculture sector includes:

- compensations to fishers, including fishers on foot and inland fishers, for the temporary cessation of fishing activities caused by the COVID-19 outbreak, under more flexible conditions than the other cases of temporary cessation,

- financial compensations to aquaculture producers and processing enterprises for the suspension or reduction of production and sales and for additional storage costs caused by the COVID-19 outbreak,

- possibility for providing working capital to aquaculture producers and processing enterprises,

- support to producer organisations for the temporary storage of fishery and aquaculture products;

- specific compensation measures in the outermost regions.

This Regulation also allows a more flexible reallocation of financial resources within the operational programme of each Member State and a simplified procedure for amending operational programmes with respect to the introduction of the temporary measures. This eliminates all superfluous administrative burden; for instance, amending operational programmes will no longer require a formal decision by the Commission.

Most of the above-mentioned measures will be eligible retroactively as of 1 February 2020 and will be available until 31 December 2020. This means that Member States can start selecting beneficiaries even before the formal modification of their operational programme to ensure that public support is mobilised as quickly as possible.

Let me stress that the amendment to the EMFF is only one part of a broader package available to support the fishery and aquaculture sector:

- The adoption of a new Temporary State aid Framework. It enables Member States to provide relief to economic operators of the fishery and aquaculture sectors hit by the crisis through State aid (national funding) up to a level of EUR 120,000 per undertaking. Aid can be granted until 31 December 2020 to undertakings that face difficulties as a result of the COVID-19 outbreak. Upon notification of the measures by the Member State, the Commission has put in place procedures to enable very swift assessment and decision-making. The Commission has already assessed and approved a number of such measures within very short deadlines and is currently assessing others.

- Support from the European Regional Development Fund (ERDF) to the financing of working capital in SMEs where necessary as a temporary measure.

- Support to mitigate Unemployment Risks in an Emergency (SURE). This scheme provides up to EUR 100 billion in loans to Member States to ensure that workers receive an income and businesses keep their staff. That temporary income support is

available for employed workers but also for self-employed people, including fishers and fishers on foot.

All these instruments should be mobilised in a strategic and complementary manner by Member States to respond to the crisis in the most appropriate way. The Commission will do its utmost to mobilise all the available instruments that can support the fishery and aquaculture sector in this unprecedented situation.

My services are also fully available to advise Member States on how to use these instruments in a strategic manner.

Yours sincerely,

Bernhard FRIESS
Acting Director-General